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SUBJECT: MEDIA REACTION: PRESIDENT CHEN SHUI-BIAN'S NEW YEAR SPEECH

Summary: Taiwan's major Chinese-language dailies focused their coverage December 30, 2006 to January 3, 2007 on Taiwan Ministry of Economic Affairs' announcement to allow Taiwan semiconductor manufacturers to move 0.18-micron manufacturing technology to China; President Chen Shui-bian's New Year speech saying that the government's cross-Strait policy contains only the direction of "Taiwan First" or "Taiwan-centric consciousness," but not Premier Su Tseng-chang's "revisionist" line; and KMT Chairman Ma Ying-jeou's

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talk at the KMT Central Standing Committee that reconciliation between the pan-Blue and pan-Green alliances has greater priority than the cooperation between the KMT and the Communist Party of China.

In terms of commentary and editorials, the pro-unification "United Daily News" said in its editorial that it is difficult to interpret President Chen Shui-bian's New Year speech, since Chen is capricious. The editorial predicted that Chen might still take an antagonistic stance against China, but he might not dare to move toward Taiwan independence. The pro-independence "Liberty Times" editorialized that imposing stricter regulations on investment in China is the true meaning of 'Taiwan first' and 'Taiwan-centric consciousness.' The mass-circulation "Apple Daily" editorialized that Taiwan lacks in confidence in terms of openness to China and added that openness will not threaten 'Taiwan-centered Consciousness.' The pro-unification, English-language "China Post" pointed out in an editorial that it is surprising that President Chen's New Year speech does not contain surprises. It also said that greater separation from China would only cause harm, not benefit. End summary.

A) "Turn on the Left-Turn Light, but Take a Right Turn:
Interpretations of President Chen Shui-bian's New Year Speech"

The conservative, pro-unification "United Daily News" [circulation: 400,000] editorialized (01/03):

"[President] Chen Shui-bian's New Year speech has elicited numerous different interpretations, and there are two reasons: First, Chen Shui-bian has been cheating himself and others, and there are always paradoxes in his speech;... Second, Chen Shui-bian has lost his integrity and has become a volatile person. Therefore, any kind of interpretation will be incorrect. ..."

"The argument on the political and economic situation in his speech is filled with contradictions. In terms of the political perspective, the speech has severely criticized the "one China" concept. ... However, in terms of opposing "one China," Chen did not mention any strategy at all. He did not mention one country on either side of the Taiwan Strait, Taiwan's new Constitution, the Second Republic, a change of the nation's nomenclature, or constitutional reform. ... Sources' allegation that the United

States required a 'review in advance' of the speech might not be groundless.

"The way of 'threatening in manner but cowardly at heart' will make Chen Shui-bian's cross-Strait policy during the remainder of his term of office embedded in the paradox of 'verbal opposition to one China but timid action toward Taiwan independence.' Therefore, the so-called 'Taiwan independence line' will become the tool to foment ethnic struggle on the island; it will have fewer and fewer connections with confronting China or solving cross-Strait issues.

...

B) "The Line of Openness is Definitely Different from the Line of 'Taiwan First'"

The pro-independence "Liberty Times" [circulation: 600,000] said in its editorial (01/03):

"... President Chen's words on the [high-speed] train remind us the debate in 2001 whether Taiwan business people are allowed to invest in the construction of wafer plants in China. Without local people's efforts, plus the supplementary conditions of producing 12-inch wafers as well as quantity control, Taiwan could not have eighteen 12-inch wafer plants by 2008. ... Apparently, imposing stricter regulations on investment in China is the true meaning of 'Taiwan first' and Taiwan-centric consciousness. ..."

C) "Openness to China Will not Threaten 'Taiwan-centered Consciousness'"

The mass-circulation Apple Daily [circulation: 500,000] pointed out in its editorial (01/02):

"There has been a struggle of two lines inside the DPP, and their reflections on cross-Strait economic and trade policy are openness and control. Both factions within the DPP are concerned about one point, namely Taiwan-centered consciousness. ..."

"What Taiwan lacks is confidence; it should be open to the world, including China, and become absorbed in globalization. ... Self-intimidation without self-consciousness will cause a decrease in the space for development and, consequently, the national strength. ..."

D) "2007 for Better Strait Ties"

The pro-unification, English-language, "China Post" [circulation: 30,000] editorialized [01/02]:

"... Surprisingly, for the first time in seven years, he made no surprise remarks in his New Year's Day Message yesterday. But he remained non-committal to opening direct air and shipping links with the mainland, a campaign promise he has yet to keep. ..."

"Most DPP leaders now realize that Taiwan independence is a losing cause. When threatened with definite retaliation from the mainland, the cause loses its appeal.

"It is better to live in a 'free, prosperous and self-ruled Chinese non-state beyond Beijing's jurisdiction' -- Taiwan's status quo as defined by world powers -- than to fight and give up all the good things in life for sovereignty.

"'Give me sovereignty or give me death' cannot rally people in this age of Internet and globalization. 'Better red than dead' is more popular. Taiwan's happiness lies in greater harmony and democracy, more prosperity and better relations with the world, not in greater separation from China.

"Already shunned politically by most nations, Taiwan is facing the danger of being marginalized, isolated and weakened economically due to Chen's repeated push for independence. ..."

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